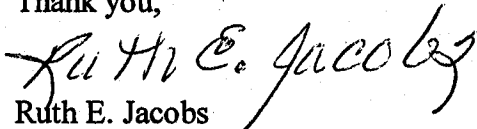


June 24, 2002

Dear Ms. Getman Chairman, and other Commissioners:

I am very concerned regarding the possible conflict issue for Terilyn Hanko by the FPPC. I original voted for Terilyn Hanko because of her strong desire to help the public. Over the months she has been on the board she has proven herself to me. The enclosed newspaper article I believe explains it better than I can say. Doctor Alper is a very respected Burlingame internist in the community for over 30 year, he finds flaws with the alleged conflicts of interest preventing Terilyn Hanko from negotiating on the hospital. He said this entire thing is comical and it is a Gilbert and Sullivan operetta. He feels Terilyn Hanko, a sales representative who receives a yearly bonus from a pharmaceutical company that does business with Mills-Peninsula would be a conflict is absurd. He also says that Dr Don Newman, (who is another board member who is voting) is a retired physician who gets a monthly check from Mills-Peninsula doesn't have a conflict strains credibility. He also goes on to say that Hanko is often seen as one who side with the community. I believe Dr Alper speaks for many of us and hope you can help us. Also enclosed is May 30, 2002 board minutes showing on page 6<sup>th</sup> one of Mrs Hanko ways of helping the public. Please respond.

Thank you,



Ruth E. Jacobs  
2965 Arguello Drive  
Burlingame, Ca 94010  
650 697-7890

# New face may appear in health care district race

Local doctor interested in making a run for a seat on Mills Peninsula board

By DWANA SIMONE BAIN  
Independent Newspapers

**BURLINGAME** — He's watched the hospital soap opera unfold from afar. Now, a longtime local doctor is considering auditioning for a role himself.

Dr. Philip Alper doesn't really want to be part of a soap opera, however. He hopes that if he were to be elected to the Peninsula Health Care District,

some of the turmoil that's gone on during the past couple of years might settle down.

He would run to "end the stalemate" and to "get a new hospital built, [and] serve the interest of the community at the same time," he said.

"I've had a long association with the hospital," said Alper, a Burlingame internist. Alper was one of a small group that put the first coronary care unit in the hospital decades ago.

Like many concerned community members, Alper has followed the

**DOCTOR:** page 15A

by many of being "loyalists" to the hospital, candidates hand-picked to represent the hospital's desires, while Hanko and Schneider are often seen as two who side with the community.

The argument over the hospital, "I think it's mis-portrayed," said Alper, as either "pro-hospital or anti-hospital. I see myself as pro-hospital and I also see myself as pro-community."

But when it comes to the hospital administration, "There is no appreciation for loyal opposition on any vote of any sort ... I can't see how that would serve the community well," Alper said. It's become an 'us vs. them' mentality, "which I find deplorable," Alper said.

There is some distrust in some things that the hospital management has done, putting some community members in a bind. If those people don't go along as foot soldiers, "then they're just looked upon as traitors," Alper said.

Among hospital administration, "I've seen signs of a somewhat cavalier attitude to certain real concerns," Alper said.

"I'm really trying to be a peacemaker, but the hospital does not take the position that blessed are the peacemakers."

District board Chair Vince Muzzi — who has a conflict

**SAFEMART, CALA BELL**

JUNE 18, 2002

THE INDEPENDENT SERVII

## DOCTOR: Alper to make board run

Continued from 1A

discussions between Mills-Peninsula Health Services and its landlord, the district.

If both sides can agree, Mills-Peninsula would replace Peninsula Medical Center with a state-of-the-art acute care facility by 2013. The district would lease the publicly owned land for \$1 per year in exchange for the new \$350 million-plus hospital.

The Mills-Peninsula board has approved the plans, as has its corporate parent Sutter Health Systems. Now the details of the plan must be worked out between the Mills-Peninsula and the district — a seemingly never-ending task over the past

because he owns a property near the hospital's proposed boundaries — Vice Chair Newman and board member Smith are all up for re-election in the fall. None have publicly stated whether they'll run again.

Alper has never run for a public position. Having served as a longtime community physician, author of numerous articles on health and health policy, a clinical professor of medicine at University of California, San Francisco, and a director of the medical knowledge base at First DataBank Corp., Alper has a history of service in the medical arena.

The political arena, however, "is a new realm for me," Alper

admitted. If he runs, he doesn't expect an easy slide in the role.

Based on his past observations, "I think it is fairly predictable that if I run the hospital will handpick the candidate, fund that candidate lavishly, provide administrative support and use the Friends of Mills-Peninsula to support the handpicked candidate for a guaranteed in-the-pocket vote on any controversial measure," Alper said. "If I would run they would probably prevail upon a doctor to run ... I expect this to be a very difficult and painful ordeal."

Dwana Simone Bain can be reached at 652-6732 or via e-mail at [dbain@smindpendent.com](mailto:dbain@smindpendent.com).

Community member ... as well as some district board members — have worried over the how much input the public would have over the hospital and its services.

Mills-Peninsula and the district have also been arguing over control of an office complex to be built adjacent to the hospital.

While the details are debated, overshadowing the negotiations has been an even larger problem: Three of five district board members have had problems with potential conflicts of interest.

Alper finds flaws with the alleged conflicts of interest preventing the three from negotiating on the hospital.

"This entire thing is comical. It is a Gilbert and Sullivan operetta, in which Dr. Schneider, who might get a tiny fee through Mills-Peninsula — and who in no way could affect his overall welfare by anything conceivably that he could vote on — is considered in conflict," Alper said. As for Terilyn Hanko — a sales representative who receives a yearly bonus from a pharmaceutical company that does business with Mills-Peninsula — "[The fact that] that would be a conflict is absurd."

The fact that Hanko, and Schneider supposedly have conflicts, which Dr. Don Newman, a retired physician who gets a monthly check from Mills-Peninsula "doesn't have a conflict strains credibility," Alper said.

# Peninsula Health Care District

Board of Directors  
Thursday, May 30, 2002

The Board of Directors of the Peninsula Health Care District met in adjourned regular session on Thursday, May 30, 2002, at 1721 hours, in the Sierra Rooms at Peninsula Medical Center, 1783 El Camino Real, Burlingame, California 934010.

ROLL CALL: On roll call there were present: Directors: Donald E. Newman, Vice Chair; Susan S. Smith, Treasurer; Terilyn Hanko, Secretary, and Tobin Schneider. [Director Vincent A. Muzzi arrived at 1727 hours].

Also present were; Colin J. Coffey, Esq., General Legal Counsel; Maureen Dutil, Assistant Secretary.

Guests present included: Gwendolyn Mitchell, Chair, Friends of Mills-Peninsula, and Michael Wood, M.D., Chief of Medical Staff and Member of Friends of Mills-Peninsula Steering Committee; Kitty Lopez, Executive Director of Samaritan House, together with Robert Fitzpatrick, President of the Board of Directors of Samaritan House and William Schwartz, M.D., board member of Samaritan House; and Forrest Malakoff, Vice President of Mills-Peninsula Senior Focus.

MINUTES: The Minutes from the meeting of the Board of Directors on April 18, 2002 were reviewed. It was moved by Director Smith and seconded by Director Hanko to approve the Minutes as submitted. Motion carried with Director Muzzi absent.

ORAL COMMUNICATIONS: Vice Chairman Newman called for any Oral Communications at this time from members of the audience on any matters not on the agenda and within the jurisdiction of the district. No oral communications were received.

FRIENDS OF MILLS-PENINSULA REPRESENTATIVES: Vice Chairman Newman welcomed Gwendolyn Mitchell and Michael Wood, M.D., representatives of the Friends of Mills-Peninsula. Note was made of the written letter by the District to Friends of Mills Peninsula, which posed questions to the group on their recent mailings to the community. Representatives from 'Friends' are here this evening to respond to the questions posed by the District in its April 24, 2002 letter.

[Chairman Muzzi arrives at 1727 hours]

Mrs. Mitchell together with Doctor Wood then addressed the Board. Mrs. Mitchell advised she is the Chairman of "Friends of Mills-Peninsula" and indicated she is appearing this evening to speak about what they are doing. Mrs. Mitchell shared and deposited with the District cards of support from the community numbering 8,000. She further noted the endorsement by the County Board of Supervisors and over a dozen City Council members from seven cities, hospital staff, and volunteers who want the expedient construction of a new state-of-the-art medical center. Mrs. Mitchell asked for the District's commitment to build a new state-of-the-art acute care facility that will include a 24-hour

1783 El Camino Real, Burlingame, California 94010  
Phone (650) 696-5450 / Facsimile (650) 696-5336

DISTRICT OFFICE

San Mateo, Burlingame, Foster City, Hillsborough, Millbrae, San Bruno and Certain Unincorporated Areas

emergency room at no additional tax dollars to the taxpayers. Mrs. Mitchell commented that State mandated seismic standards require the hospital to be seismically up to standards by the year 2008.

In response to one of the District's questions on the membership of "Friends", Mrs. Mitchell indicated the committee at this time is comprised of the current Chair of the Board, Chris Naismith, four former chairs (Mary Jane Armacost, Harry Hansen, Al Horn, and Gwendolyn Mitchell), the current chief of medical staff, Doctor Michael Wood, vice chief of medical Staff, Bruce Allen, M.D., former chief of medical staff, Irving L. Katz, M.D., vice chair of Mills-Peninsula board, Sarkie Sarkisian, who is also chair of their building committee, Gloria Brown, member of the Board and heads the African American Health Committee of San Mateo County.

Mrs. Mitchell advised the goal of their mailing piece was to educate the public on the need to re-build the Peninsula Medical Center and to give the District Board as well as the Mills-Peninsula Board the support we need from the community to complete negotiations and begin the re-building. Mrs. Mitchell then read the communication piece sent to the community about the need for rebuilding the current facility.

Michael Wood, M.D., Chief of Medical Staff of Mills-Peninsula commented on the awards received by Mills-Peninsula in their provision of healthcare. Doctor Wood indicated that 'Friends of Mills-Peninsula' was formed to work with the staff, the community, elected officials, and provide the citizens of San Mateo County with the best and latest in health care, and to educate local residents about the goals for the current Peninsula Medical Center. He noted the need to replace the physical plant at Peninsula. He indicated that no taxes from the residents of the district would be utilized to build this replacement facility. In response to another of the District's questions, Doctor Wood related that no medical information was obtained to send this information to former patients. He commented that all communications with the former patients, employees, Auxiliaries, and donors are legal. The patients have a right to know the situation at the medical center.

An exchange of questions and answers ensued with various concerns expressed by District Board members Muzzi, Hanko, Schneider, Newman, and Smith. Members of the public spoke to their concerns on the current negotiations, the proposed new replacement facility, and the mailing piece from "Friends" as follows: Ruth Jacobs, Burlingame: Inquired if the "Friends" group is registered with the State with the response No from Mrs. Mitchell. She indicated that "Friends is not a political committee; Constance Cohen, Burlingame: Asked if the mailing was an education piece and why the District wasn't also providing a mailing/information piece to the District residents.; Terry Huebner, Burlingame: Indicated her concern of utilizing patient lists for the mailing as the piece is a scare tactic. Mrs. Huebner asked that Mrs. Mitchell respond to the questions asked by the District in its letter. Chair Muzzi indicated to Mrs. Mitchell that a written response to the District on its various questions would be appreciated; Luciana Kincer, RN, San Mateo: Mrs. Kincer related the issue is the District's land and the need to protect it.

**TREASURER'S REPORT:** Treasurer Smith noted the inclusion of the report for the month of April 2002, indicating there is nothing unusual to point out. Director Smith asked if there were any questions with none received. There was no Public Comment received on the submitted Treasurer's Report.

**FINANCE REPORT:** The submitted financial reports for the month of April 2002 were noted to include the Balance Sheet, Statement of Cash Receipts & Disbursements, Statement of Revenue & Expense and Analysis of Prepaid Rent and Analysis of Lease Obligation. Director Smith again noted inclusion of all said reports in the board package. She noted there is nothing unusual in the reports and asked for any comments or questions on the financials. No discussion or comments were received. There was no Public Comment received on the Finance Report.

**SAMARITAN HOUSE MEDICAL CLINIC:** Chair Muzzi welcomed Kitty Lopez, Executive Director of the Samaritan House together with Samaritan Board Chair, Robert Fitzgerald, and Board Member, William Schwartz, M.D.

Ms. Lopez extended a Thank You to Chair Muzzi and the District Board for asking her to come to the Board at this time to provide an update on the Samaritan House. Ms. Lopez provided the District Board with a review of the activities of the medical clinic, the constituency served, client statistics, and financial reports. Ms. Lopez additionally shared with the Board the Program Operating Costs for the Medical Clinic projected for 2002-2003, as well as the Revenue & Expenses for the San Mateo Clinic. Ms. Lopez advised the total expenses is projected at \$466,701 with a short-fall of \$357,000, which they will have to raise in order to maintain the current programs. Ms. Lopez commented on grants they are seeking as well as other avenues to raise moneys for the continuation of program activities. In response to a question from the District Board, Ms. Lopez noted that the operating expenses for the medical clinic do not include the new building. Ms. Lopez reported that Samaritan House is running 25% less in donations.

Ruth Jacobs, Burlingame: Mrs. Jacobs inquired as to how much Sequoia Health Care District is providing for the operation of the Medical Clinic in Redwood City? Ms. Lopez reported the Sequoia Healthcare District has provided a 5-year grant at \$400,000-\$500,000 per year for the Redwood City Clinic.

Discussion ensued by the Board together with questions, which were responded to by Ms. Lopez, Mr. Fitzgerald and Doctor Schwartz. After discussion and debate, it was moved by Director Smith and seconded by Director Hanko to approve an additional grant to the Clinic of \$60,000. at this time (Fiscal Year 2001-2002), and a Community Grant of not less than \$100,000 under the District Grants for 2002-2003. Motion unanimously carried. The representatives from Samaritan House expressed their appreciation to the District Board.

SENIOR FOCUS QUARTERLY REPORT: Chair Muzzi called for the presentation by Forrest Malakoff, Vice President of Mills-Peninsula Senior Focus. Mr. Malakoff noted his submitted of quarterly activity and financial reports for both the Adult Day Health & Alzheimer Program in addition to the Wise & Wells Programs in San Bruno and San Mateo. Mr. Malakoff spoke to current activities of the Adult Day Health & Alzheimer Program and its services to those with Alzheimer's disease and their caregivers. Questions and answers transpired on the report.

Mr. Malakoff then spoke to the Wise & Well Programs in San Bruno and San Mateo. Activities at the sites for the seniors were noted together with the educational, nutritional, and medical programs provided to seniors at the sites. The education topics provided, statistics of participants served, as well as updates on their accomplishments for 2001-2002 were detailed. Again, questions and answers transpired between board members, the public and Mr. Malakoff. Chair Muzzi thanked Mr. Malakoff for his report to the board.

YOUTH & FAMILY ASSISTANCE QUARTERLY REPORT: The quarterly report, covering the period of January 2002 through March 2002, was noted together with its accompanying activity data and financial data for the Insight Program as well as the Crisis Intervention & Suicide Prevention Program. The report was found in order. There was no discussion or Public Comments received.

AD HOC PHYSICIAN RECRUITMENT/LOAN COMMITTEE REPORT: A report was distributed from the ad hoc committee, comprised of Directors Newman and Schneider. Doctor Schneider noted the committee's review of other programs in the Bay Area to assist physicians, and indicated the committee's proposal for a response to the shortage of physicians in the Bay Area, especially in San Mateo County. The committee's proposal was reviewed with Doctor Schneider noting the purpose of their program would be to address the significant access to care problems created for residents of the Peninsula Health Care District. The program as presented is designed to create financial incentives to promote new physician placement and relocation to the communities served by the Health Care District. Doctor Schneider advised they are proposing the program provide physician practice start-up loans (forgivable) in the amount of \$500,000 annually for up to ten fifty thousand dollar loans for use in establishing a community based practice. Discussion ensued on the submitted proposal. Doctor Schneider noted the loan would be forgiven if the physician practices within the District for four years. Discussion and debate occurred on the loan terms and its forgiveness parameters.

Philip Alper, M.D., Burlingame: Expressed his concerns on the program in general, which generated a discussion on how the dollars are to be utilized by new physicians versus established physicians taking on new physician partners. Doctor Alper also expressed his concern in requiring that any new physicians take both Medicare and MediCal patients.

Robert Hortop, Vice President, Mills-Peninsula Health Services: Applauded the District on creating a proposal to aid in the shortage of physicians in the community, and urged the District to require any future physicians to take MediCal and Medicare patients as well as to require these physicians to participate in some managed care programs.

Forrest Malakoff, Vice President, Mills-Peninsula Senior Focus: Also applauded the District on this new proposed program. Mr. Malakoff advised that many seniors are looking for physicians in primary care. Any thing to improve access to physicians for the community is excellent. He noted that there are many seniors in the community who are on Medicare and MediCal.

Attorney Coffey spoke to the District's authority under the Local Healthcare District Law, California Health & Safety Code to provide physician recruitment incentives. Attorney Coffey further noted restrictions of the law and advised that service to MediCal patients is a plus in the scope of authority to provide such incentives.

On completion of discussion, debate, and review, it was moved by Director Schneider and seconded by Director Newman for the Peninsula Health Care District to allocate \$500,000 annually for up to ten \$50,000 loans to recruit primary care physicians to the community with the specific details on administration of the fund to be designed by the ad hoc committee. Motion unanimously carried.

CORRESPONDENCE: The following Correspondence and New Articles were so noted:

A) Correspondence:

- (1) Letter from Peninsula Health Care District to R. W. Merwin, CEO of Mills-Peninsula re: Questions on 'Friends of Mills-Peninsula' and Response from Friends of Mills-Peninsula, dated 5/8/02.
- (2) LAFCo Notice of Public Hearing on May 15<sup>th</sup> of the agency on proposed budget and proposed resolutions.
- (3) Announcement from San Mateo County Chapter of California Special Districts Association for meeting on May 7, 2002 plus announcement on Legislative Action Days in Sacramento.
- (4) LAFCo Agenda for 5/15/02 Meeting & Final 2002-2003 Budget.
- (5) Letter, dated 5/13/02, from Linda Tulett, Elections specialist/Filing Officer, re: November 5, 2002 Election.
- (6) [Sample] Letter, dated 4/8/02, and flyer from Friends of Mills-Peninsula.

B) Newspaper Articles:

- (1) *Burlingame Daily News* article, dated 4/19/02, re: "Citizens press hospital board for answers".
- (2) *Burlingame Daily News* article, dated 4/19/02, re: "Samaritan House facing \$300,000 shortfall".
- (3) *Burlingame Daily News* article, dated 4/27/02, re: "Hospital board could nix burdensome rule".

- (4) *The Independent* newspaper article, dated 4/30/02, re: "'Friends' want a brand new hospital".
- (5) *Burlingame Daily News* article, dated 4/30/02, re: "Flap brews on hospital board"
- (6) *San Mateo County Times* article, dated 5/7/02, re: "Jury alleges hospital district misusing taxes".
- (7) *Burlingame Daily News* article, dated 5/20/02, re: "Part-time boss earns \$120,000 annually."
- (8) *Burlingame Daily News* article, dated 5/20/02, re: "Kids falling through insurance cracks".

OLD BUSINESS:

A) Creation of Ad Hoc Advisory Committee

V. Muzzi

Chair Muzzi noted the need to get public input into the district and recommended formation of an ad hoc Advisory Committee of the District Board for the purpose of discussing critical issues facing the district and the future of the health care district. Chair Muzzi indicated the purpose of the committee would be to bring to the board their recommendations on the future of the District and/or to place advisory ballots on the upcoming November ballot. Chair Muzzi indicated he would provide 6 nominees to this ad hoc committee and proposed that Director Newman provide an additional 5 nominees. Potential nominees were then announced. Chair Muzzi proposed that Maureen Dutil take the Minutes for at least the first meeting of the committee, which will occur on June 10, 2002 at 3:00 PM in the Conference/Dining Room at Peninsula Medical Center. Chair Muzzi also requested that General Counsel, Colin Coffey, be in attendance at most of the meetings of this committee to act as both councilor and guide in their mission to recommend the future purpose of this district. Lengthy discussion and debate occurred on the proposed formation of such an ad hoc committee. Members of the public voiced their support for such a committee. Director Muzzi, as Chair, then announced the formation of the Ad Hoc Advisory Committee and cited his nominees. Director Newman indicated he had some nominees but had not formally contacted them as yet and they will be forthcoming.

NEW BUSINESS:

A) Change in Meeting Time

T. Hanko

Director Hanko proposed changing the time of the District Board meeting in an effort to accommodate Director Schneider's busy schedule. Various time starts were suggested and it was agreed to a start time for the next meeting at 5:45 P.M. The District Secretary will prepare a Resolution for adoption by the board reflecting this time change for a period of six months. The Resolution will be presented at the June 27, 2002 board meeting for action.

B) District Newsletter

T. Hanko

Director Hanko noted the District's need to educate its community and proposed initiating a newsletter and/or web site for the Peninsula Health Care District. Discussion ensued with



comment the District could also utilize its local newspapers more in educating the public and perhaps place quarterly ads in the newspapers summarizing district activities. After discussion, it was agreed to have Director Hanko research and investigate possible communication venues and report back to the District Board on costs, etc.

C) Candidate Policy

V. Muzzi

Note was made of the Candidate Policy, which is required as part of the Special District General Election to be held on November 5, 2002. The District will need to make a decision as to whether it requires a 200-word or 400-word statement for candidates and whether the District or candidate is to pay for such statement. Discussion ensued, and it was moved by Director Schneider and seconded by Director Hanko to approve a policy statement for the District, which requires a 200-word statement and with the candidate to pay for such statement. Motion unanimously carried. This Policy Statement will be included with the Board's resolution next month requesting consolidation with the statewide general election.

D) San Mateo County Health Summit

D. E. Newman

Director Newman noted his recent attendance at a Health Summit presented by the County of San Mateo. There were approximately 150-200 people in attendance representing government, private sector, and health fields. The County is proposing a Healthy Kids Insurance Program for Children from 0 to 18 years of age. Cost is estimated at \$7 million and they currently need \$2.7 million to assist in development of this insurance program. Director Newman advised the County is desirous of coming to speak to the District and explain its program and to see if the District would like to participate. Chair Muzzi instructed the Assistant Secretary to invite Margaret Taylor, Director of Health Services of San Mateo County, to a meeting of the District at a date and time she is available to make a presentation on this issue.

There being no further business, the meeting was adjourned at 2101 hours.

By:

\_\_\_\_\_  
Maureen Mignacco-Dutil, Assistant Secretary

Approved:

\_\_\_\_\_  
TERILYN HANKO, Secretary

\_\_\_\_\_  
VINCENT A. MUZZI, Chair